



*Reitman's are now serving
the fashion needs of Women
through 216 retail stores,
in 80 cities in Canada,
from Coast to Coast.*

Reitman's

(CANADA) LIMITED

250 SAUVE ST. WEST
MONTREAL 12, CANADA

*Interim Progress Report
6 Months Ended
July 31st, 1968*

REITMAN'S (CANADA) LIMITED

And Wholly Owned Subsidiary Companies

Dear Shareholder:

We are pleased to submit to our shareholders an Interim Progress Report for the six months ended July 31st, 1968. Once again your Company has achieved the highest sales and earnings of any previous first six month period.

Net Earnings increased to \$516,561 equal to 55¢ per share compared with \$441,843 equal to 47½¢ per share for the same period last year, after restating estimated 1967 Income Taxes. Net Sales increased to \$19,283,632 compared with \$18,870,964. Working capital at July 31st, 1968 amounted to \$5,909,339 compared to \$5,068,769 on July 31st, 1967, an increase of \$840,570. All figures are subject to year end audit adjustment.

It is well to point out that the second six months of our fiscal year usually provides a higher portion of our annual net earnings. Your management looks forward to increased sales and profits for the balance of this year. For your information Net Earnings for the last year ended January 31st, 1968 amounted to \$1,117,521 equal to \$1.20 a share.

During the period under review, two new stores were opened, one in the Laval Plaza in Laval, a suburb of Montreal and the other in Chicoutimi. One outmoded store was closed. The same number of stores totalling 216 were in operation during the corresponding period last year.

Since August three new stores were opened, one in Les Galeries d'Anjou Shopping Centre, Ville d'Anjou, a suburb of Montreal, one in the Lethbridge Shopping Plaza, Lethbridge, Alberta and one in Moose Jaw, Saskatchewan. Four additional stores will be opened before the end of this year.

At a meeting of the Board of Directors held on September 10th, 1968, the regular quarterly dividend of 12½¢ per share on the Class 'A' Stock was declared payable on November 1st, 1968 to shareholders of record October 15th, 1968.

Submitted on behalf of the board,

Montreal, September 10th, 1968

SAM REITMAN, President

CONSOLIDATED STATEMENT OF EARNINGS FOR THE SIX MONTHS ENDED JULY 31, 1968
(With comparative figures for the six months ended July 31, 1967)

| | 1968 | 1967 |
|--|-------------------|-------------------|
| SALES | \$19,283,632 | \$18,870,964 |
| Cost of Goods sold and selling and Administration Expenses Exclusive of Items shown hereunder | \$17,897,252 | \$17,655,573 |
| ADD: | | |
| Depreciation & Amortization of Fixed Assets | 230,129 | 209,922 |
| Interest on Debentures | 102,045 | 103,750 |
| | <u>18,229,426</u> | <u>17,969,245</u> |
| Net Earnings Before Providing for Income Taxes | 1,054,206 | 901,719 |
| Provision for Income Taxes (Estimated) — (Note*) | 537,645 | 459,876 |
| Net Earnings for the Period | <u>\$ 516,561</u> | <u>\$ 441,843</u> |

CONSOLIDATED STATEMENT OF SOURCE AND DISPOSITION OF FUNDS
FOR THE SIX MONTHS ENDED JULY 31, 1968

(With comparative figures for the six months ended July 31, 1967)

| | 1968 | 1967 |
|--|-------------------|-------------------|
| SOURCE OF FUNDS | | |
| Net Earnings for the six months (Note*) | \$ 516,561 | \$ 441,843 |
| Add: Deductions not Requiring Cash Outlay: | | |
| Depreciation and Amortization of Fixed Assets | 230,129 | 209,922 |
| Amortization of Discount on Debentures | 1,289 | 1,289 |
| | <u>747,979</u> | <u>653,054</u> |
| Issue of Class "A" Shares | 48,357 | — |
| Refund of Income Taxes for Prior Years | — | 348 |
| | <u>\$ 796,336</u> | <u>\$ 653,402</u> |
| DISPOSITION OF FUNDS | | |
| Addition of Fixed Assets (Net) | 201,551 | 534,529 |
| Dividends Paid | 233,661 | 232,255 |
| Purchase of 7% Sinking Fund Debentures Bought in Anticipation of Sinking Fund (Net) | 94,000 | 24,562 |
| Increase in Advances (Net) | 24,286 | 581 |
| Income Tax Assessments for Prior Years | 6,638 | 9,151 |
| Increase (Decrease) in Working Capital (Note*) | 236,200 | (147,676) |
| | <u>\$ 796,336</u> | <u>\$ 653,402</u> |

*NOTE: Income Taxes for the Six Months ended July 31, 1967 have been restated on the tax allocation basis to present a proper comparison with 1968. Income Taxes were previously stated at the amount estimated to be currently payable.

REITMAN'S (CANADA) LIMITED

et ses Compagnies Filiales

Cher Actionnaire,

Nous sommes heureux de vous soumettre un Rapport intérimaire des Progrès accomplis au cours des six mois terminés le 31 juillet 1968. Une fois de plus, votre Compagnie a réalisé les plus hauts chiffres, aussi bien dans les ventes que dans les profits, que pour tout autre premier semestre antérieur.

Le Revenu Net a augmenté à \$516,561, soit l'équivalent de 55¢ par action, comparativement à \$441,843 équivalant à 47½¢ par action pour la même période l'an dernier, après ajustement de l'estimé des Impôts sur le Revenu pour 1967. Les Ventes nettes ont augmenté à \$19,283,632 comparativement à \$18,870,964. Au 31 juillet 1968, le fonds de roulement se chiffrait à \$5,909,339, comparativement à \$5,068,769 au 31 juillet 1967, soit une augmentation de \$840,570. Tous ces chiffres sont sujets à ajustements après vérification par les auditeurs.

Il est bon de spécifier qu'habituellement, la deuxième période de six mois de notre année fiscale nous fournit une part plus élevée de nos revenus nets annuels. Vos administrateurs anticipent une augmentation des ventes et des profits pour le reste de cette année. Pour votre information, le Revenu Net pour l'année qui s'est terminée le 31 janvier 1968 se chiffrait à \$1,117,521 soit l'équivalent de \$1.20 par action.

Au cours de ces premiers six mois, deux nouveaux magasins ont été ouverts: un, sur la Plaza Laval à Laval en banlieue de Montréal et l'autre, à Chicoutimi. Un magasin a été fermé. Nous avons opéré avec le même nombre de magasins que l'année dernière, soit 216.

Depuis le mois d'août, trois nouveaux magasins ont été ouverts: un, au Centre d'Achats Les Galeries d'Anjou en banlieue de Montréal; un, sur la Plaza Lethbridge à Lethbridge en Alberta et un à Moose Jaw en Saskatchewan. Quatre magasins additionnels seront ouverts avant la fin de cette année.

A une assemblée du Conseil d'Administration tenue le 10 septembre 1968, le dividende trimestriel régulier de 12½¢ par action Classe 'A' était déclaré payable le 1er novembre 1968 aux Actionnaires enregistrés au 15 octobre 1968.

Soumis au nom de l'Administration,

Montréal, le 10 septembre 1968.

Sam REITMAN, Président.